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Southeast Asia: Of Tigers and Turmoil

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Introduction

Southeast Asia--diverse, complex, dynamic, and growing--is an area extending from Burma in the west to the archipelagoes of Indonesia and the Philippines in the east. With over 400 million people, this region hosts five major religions, ten countries, and multiple cultures. Government ideologies run the gambit from democratic Philippines to communist Vietnam to a repressive military dictatorship in Burma. Economic growth has been phenomenal for most Association of Southeast Asian Nations (ASEAN) countries,¹ while Cambodia and Vietnam are struggling to provide a basic economic foundation to feed their people. Few regions on earth are more reflective of the richness of humankind's variety.

Geostrategically, Southeast Asia is the trading cross-roads for half the world. In 1994, total trade through the Straits of Malacca, Lombok, Sunda, and the South China Sea totaled \$949.5 billion.² Measured in certain categories multilateralism of tonnage, Singapore is the busiest port in the world. Crude oil accounted for over one half of the tonnage transiting the area, most destined to fuel the economies of Japan and South Korea.³ In addition to being a shipping highway, the region abounds in natural resources of natural gas, oil, tin, and forestry products. These assets, combined with human resources and liberal economic government policies, have been the catalyst for Singapore, Indonesia, Thailand, and Malaysia to experience rapid economic growth rates. Accompanying these successes have been an increase in population, domestic demographic shifts, and larger expenditures on military forces. In fact, the

¹ ASEAN countries include Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.

² Henry J. Kenny, *An Analysis of Possible Threats to Shipping in Key Southeast Asian Sea Lanes*, (Center for Naval Analyses, 1996) 5.

³ John H. Noer with David Gregory, *Chokepoints: Maritime Concerns in Southeast Asia*, (Institute for National Strategic Studies, 1996) 58.

modernization of regional naval, air, and land forces has essentially become a local arms race, reflecting the nations' increasing influence, interest, and concern in regional and international affairs

But how does Southeast Asia and its phenomenal development impact on U S interests and security? Though Southeast Asia is populous, diverse, and growing economically, it is not yet a leading consumer of U S goods. Shipping levels are impressive, but only a small percentage of the trade through the shipping lanes originated in, or is destined for, the United States. The region's military buildup is interesting, but no country in Southeast Asia could challenge the strength of the world's superpower. What are the interests of the United States in Southeast Asia? By questioning the relative importance of the region to the United States, and by analyzing threats and opportunities to our interests in Southeast Asia, policy options may emerge, be evaluated, then discarded or selected for execution. The purpose of this paper is to walk through that process and recommend a specific national security policy for Southeast Asia. The first step in the formulation process is to determine interests.

U.S. Interests in the Land of the Tigers

Within a broad strategic context, the United States has two vital interests in Southeast Asia. Economic access to the region is of primary importance to our own economic revitalization. In order to promote prosperity at home, our market economy relies upon **free trade and open markets abroad**. The expanding ASEAN economies, with their enlarging middle class, represent a strong potential market for U S goods and services.

Next, we must not only maintain access to the markets themselves, but also ensure **freedom of air and sea lines** of communication to provide unencumbered passage of imports

and exports. Disruption of shipping lanes through the region would have an indirect, yet strong impact on the U S economy. Direct trade with ASEAN countries would be affected, their economies likely disrupted, and their demand for U S goods consequently limited. Oil prices for Korea and Japan would increase with higher transportation costs.⁴ The negative impact on their economies, so closely tied with the U S , would migrate to American business and consumers.

From these two vital interests--the continued growth of potential Southeast Asian markets and free passage of the trade routes--stem several major interests. The first of these is to maintain **stability in the region** and to support a peaceful evolution of Burma, Vietnam, and Cambodia to market economies. Although several policy options may exist to achieve these goals, diplomatic and military access to the region are required for the U S to maintain its flexibility to exercise any one of them. We must not lessen our ability to participate in the peaceful resolution of regional conflicts under terms which are favorable to future US interests. In addition, the U S must have access to host nation assets, such as logistic nodes, when needed in order to be an effective supporter of regional stability. Although the level of military presence is a policy variable, our armed forces must be able to operate in the region to fully exploit our range of options.

Next, it is not in our interest for any single Asian power to become the **hegemon** in the region. The rise of such a dominant power risks imposing all the perils and inefficiencies of a monopoly. A non-democratic power further exacerbates these monopolistic tendencies and would undoubtedly be a detriment to free trade. The rise of either China or Japan would cause deep fear and resulting instability in a region that remembers neither power fondly.

⁴ Ibid, p 37

Third, social and political stability allow the seeds of reform to grow, improving the quality of life in incremental steps. An orderly, improving society enables people to maximize their freedoms while preventing the potential devastation which comes from anarchy or repressive rule. **Support for such human rights** as freedom of the press, freedom from arbitrary arrest and the right of labor to associate are consistent with U.S. interest in fostering more open, free societies in the region.

In addition to human rights, two other transnational issues are of interest to the United States in Southeast Asia. Burma and Thailand's "Golden Triangle" is a major source of drugs coming into the U.S. and countering this trafficking supports a major U.S. policy goal. Also, the promotion of democratic values and systems within the emerging Asian tigers will foster political pluralism and market economies. The U.S. should continue to foster the development of these ideals.

Threats to U.S. Interests

Threats to U.S. economic, logistic, and stability interests are as varied as the region itself. Regional and domestic conflicts, caused by disputes over territory, resource access, ethnic rights or authoritarian regimes, pose a threat between, and in, various countries. National governments' reluctance to open political systems to a growing educated and sophisticated middle class as in several ASEAN countries, or to violently repress their citizenry as in Burma, Vietnam, and Indonesia, could result in destabilizing domestic strife.

Likewise, economic protectionist measures by ASEAN or creation of a Asian trading block that does not include the U.S. would severely limit our potential to expand our trade with

these growing economies. Non-tariff barriers to trade such as quality inspections or licensing schemes would decrease the competitiveness of U.S. goods. Malaysia has proposed just such an organization in its call for an East Asian Economic Caucus (EAEC). To date, there has been little regional support for such proposals, but ASEAN concerns about NAFTA may lead to expanding interest, requiring greater U.S. attention to this issue.

Though not a part of Southeast Asia, a growing and influential China, one that seeks to sway the region to limit its economic and military cooperation with the United States, is nonetheless a threat to our long-term interests in the region. If contested claims to the Spratly Islands, or continued rapid Chinese military modernization are unable to be managed peacefully under the ASEAN Regional Forum (ARF), Southeast Asian countries may elect to appease China through political allegiance and “tribute.”⁵

The United States has itself created a threat by cutting back resources for diplomacy and military force structure to provide a credible presence in the area. In the absence of other confidence building measures, decreased U.S. diplomatic and military presence in the region reinforces Southeast Asian perceptions that the United States is a power in decline. The natural result will be a loss of our ability to influence regional economic and military powers.

Policy Opportunities and Limitations

Despite the threats to our interests in the region, there are several opportunities for the U.S. to execute a range of policy options. The existence of regional organizations provides an avenue to employ multinational diplomatic and economic tools. Although currently restricted to economic cooperation, ASEAN has provided its members with experience in a regional forum.

⁵ “Tribute” here refers to the pre-colonial practice of these nations sending tribute to the Chinese monarch as a way to appease the great nation.

ASEAN also provided the catalyst for ARF and through it, various proposals for confidence building measures, e.g. transparency. These measures have included public disclosure of military policy and acquisition plans. The effectiveness of ASEAN as a regional influence is witnessed by the successful pressure that organization applied to Vietnam to withdraw its troops from Cambodia in the early 1990s. In addition to ASEAN and ARF, the U.S. can work within larger economic organizations to influence the region. Most of the Southeast Asian countries are involved in the Asian Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO). Their economies may be directly affected by the initiatives and opportunities sponsored by these organizations.

Another opportunity for the United States is the growing number of Southeast Asians who receive advanced education in the United States. This growing U.S. educated and affluent middle class offers not only a large consumer pool for U.S. goods but also an articulate voice with experience in democratic institutions which can speak out in favor of greater pluralism and more responsive government.

In addition to trade tools, the U.S. may use the fact that many Southeast Asia leaders have expressed their desire for an active and engaged U.S. presence in the region. Seen as a force for stability necessary for economic growth, the ASEAN countries do not wish the U.S. to retreat into diplomatic or military isolation. Again, these stated desires by the regional countries may be an opportunity for the United States to advance its interests.

Turning to limitations, perhaps the most serious one is waning U.S. domestic support for military and diplomatic expenditures abroad since the end of the Cold War. Eager for a peace dividend which does not seem to have materialized, the American public, and members of the

legislative branch must be convinced that resources are required to maintain our influence and support our national interests abroad

Another challenge to U S policy implementation is the philosophical difference between the Asian concept of “authoritarian democracy” as practiced in Singapore and the more pluralistic ideals of the U S democracy The debate over the good of society versus the rights of the individual, perhaps characterized as Confucius vs Jefferson, is a filter that will color all our relations with even the most advanced societies in the region

Policy Options

1. Disengagement

Given our economic, political, and military interests within Southeast Asia, and recognizing the threats as well as the potential opportunities, we examined three policy options First, we could establish a policy US of disengagement from the region relying principally on diplomacy and trade negotiations to achieve objectives Military presence would be significantly reduced Our political, economic, and military issues would be addressed through bilateral means and we would leave security issues to be dealt with by the states of the region

In this policy option, U S ground force signatures would be eliminated Base requirements would be reduced to an “as needed” basis and would primarily consist of refuel and refit activities associated with scheduled bilateral or multilateral military exercises The US could downsize forces considerably, relying on a generic “home based” contingency force capable of multiple military defense responsibilities around the world While this option should significantly reduce defense-related budget requirements, there will be costs related to moving a home based force greater distances Such a change will also result in a military force so generic

that it will not be able to maintain the same level of readiness as one with a more narrow scope. Nonetheless, the U S will focus its shrinking resources to promote our primary national interest - U S trade and economic involvement in the region.

2. U.S. Regional Dominance and Full Engagement

A regional dominance policy would require a clear US political, economic, and military presence. We would build upon existing bilateral agreements and increase US military activity within the region. Announcing our intention to dominate regional discussions and decision-making would be such a policy's primary objective.

We would attempt to negotiate a naval base in Singapore, Australia, Vietnam, or the Philippines and increase or expand military-to-military contacts throughout most of the Southeast Asian countries. Those countries (such as Burma) that failed to open their markets, further legitimize their governing bodies, or improve human rights would be isolated. Increased visibility in the region would signal a renewed US commitment. There would be no power vacuum to fill and therefore it would provide stability to the region.

This policy would increase US budgetary requirements which would be difficult to sell on Capitol Hill and to the U S public. It could also provoke a negative reaction in China or inflame nationalist tendencies within the region. China might respond with an arms build-up. Blossoming democracies will find more internal pressures on their governing bodies from internal opponents who characterize U S presence as neo-colonialist.

3. U.S. as Coalition Member/Builder

Both of the previous options have attractive features. The first, with its emphasis on trade and traditional diplomacy, focuses entirely on our economic self interest and would be by far the

cheapest avenue to pursue. However, it runs the risk of creating a power vacuum that one of the Northeast Asia giants, China or Japan, will feel obliged to fill with the very real risk that U S influence will be marginalized in Asia. U S interests would not be well served if our market economy is squeezed out of one of the world's most lucrative markets. Likewise, our political dialogue will be curtailed as our economic power is reduced and our military would have few options short of nuclear confrontation.

On the other hand, the second option would likely make us the undisputed regional hegemon but at a price that the current domestic funding environment would almost certainly not support. How, therefore, do we balance our strategic desires for economic access, stability and the expansion of pluralism with the realities of the ever-shrinking financial resources available to support US military presence abroad?

The region has presented us with its own best answer. ASEAN and similar regional organs with their potential for and resulting collective security. ASEAN, the ARF, APEC, and similar groupings provide the U S with fora for discussions, decisions and agreements that will protect and expand trade, foster pluralism through greater integration, potentially share the advances of more developed states with their lesser developed neighbors and create a block significantly powerful to prevent subjugation by any regional hegemon. Managing our relationships in Southeast Asia primarily through regional organizations will give the U S, as the most powerful member, the advantages of both cover and support from other member states for its role in the region while providing the region the sense of security necessary to damp down power plays by China or Japan or, indeed, continued escalation of the interregional arms race. Along with active participation in existing organizations, we should support expansion of

activities focused on security, seeking coalitions which make the expanded military assets of member states an integral part of the security net of the region and formalizing more flexible resupply arrangements such as that made with Singapore. There is also scope for more global expansion with pursuit of the concept of an Asian Free Trade Association along the lines of NAFTA.

Therefore, our regional policy in Southeast Asia will be characterized by

- Aggressive diplomatic efforts to accelerate the strengthening and creation of regional economic and security organizations,
- Working through these organizations to encourage more pluralism throughout the region, counter regional drug trade, and influence Burma, Vietnam, & Cambodia to move toward market economies,
- Focused negotiations to open regional markets to U S goods and services,
- Fewer U S military assets deployed to the region but more local military coalitions,
- Continued opportunities for regional military officers and civilians to undertake advanced education in the U S to inculcate the “American” experience,
- A longer term goal of an Asian Free Trade zone by 2005

Conclusion

The nations of Southeast Asia represent a vital, dynamic group with whom the United States wants and needs to do business, literally and figuratively. It is in the U S interest to play a positive role in encouraging stability in the region in support not only of free trade but also of pluralism and respect for universally-defined human rights. Discouraging repression in Burma and the drug trade that feeds off that repression are also significant concerns. U S interests will

be best served by ensuring growing U S access to Southeast Asian markets while blocking the development of a regional hegemon which might subjugate the region militarily, politically or economically. These interests can only be served if the United States remains engaged. Simply trying to do business bilaterally will not be enough. However, resource realities preclude a Cold War-level presence. What, then, is the appropriate mechanism for our engagement?

The obvious answer is that we must rethink our role in Southeast Asia in light of the dramatic changes which have taken place there in the past two decades. We must recognize that Southeast Asia has grown up and, as a mature adult, needs a partner, not a guardian. We can become such a partner by using and encouraging the expanding circle of regional organizations such as ASEAN and its fellow groupings as outlined above. Such a policy will put to rest any vestiges of neo-colonialism such as implied by huge U S bases in the Philippines or hectoring about U S definitions of human rights while still ensuring a major, cost-effective role for the U S in the region.

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